



# Australian Bureau of Statistics

## 6524.0.55.002 - Estimates of Personal Income for Small Areas, Time Series, 2009-10 Quality Declaration

ARCHIVED ISSUE Released at 11:30 AM (CANBERRA TIME) 28/11/2012

Introduction

Regional Variations in Average Income

Top Average Total Income Regions

### INTRODUCTION

The estimates in this release provide a means of analysing differences in level and composition of personal income in regions. Such analyses can provide a valuable insight into the nature of regional economies and aspects of the economic well-being of the people who live there.

Data for 2009-10 have been sourced from the Australian Tax Office (ATO). They are presented here for a variety of geographic levels such as local government areas (LGAs), Statistical Area Level 2s (SA2) and Greater Capital City Statistical Areas (GCCSA), using the new Australian Statistical Geography Standard (ASGS).

Since the last issue (covering 2003-04 to 2008-09) there have been some changes to items included in each income category. The estimates in this issue are not directly comparable to those in the last issue (2003-04 to 2008-09). A new time series of Estimates of Personal Income for Small Areas for 2005-06 to 2009-10 will be released in 2013.

While personal income data provide insights into the income in regional economies, wealth is also important to economic well-being, since some people on low incomes may have wealth to draw on, such as property and business assets (Australian Social Trends, 2006, cat. no. 4102.0). Conversely, some people on high incomes may also have high levels of debt. This article has a focus on income, but income alone does not necessarily equate with overall economic well-being.

Further analysis of regional incomes can be undertaken using the data contained in the spreadsheets attached to this article. More information about the ASGS can be found in Australian Statistical Geography Standard (ASGS): Volume 1 - Main Structure & Greater Capital City Statistical Areas, July 2011, cat. no 1270.0.55.001.

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### ESTIMATES OF PERSONAL INCOME

In 2009-10, Total income (from all sources excluding Government pensions and allowances) was \$588.1 billion, with Wages and salaries income contributing 81.4% of total income, followed by Investment income (10.2%) and Own unincorporated business income (6.3%).

Table 1. SOURCES OF INCOME, 2009-10 - Australia

Sources of Income	Number of persons by income source (a)	Total income by source (b)	Average income per person by source	Source of income as % of Total income
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	no.		\$	
		\$b		%
Wages & salaries	9 787 143	478.7	48 907	81.4
Own unincorporated business	1 860 729	37.3	20 023	6.3
Investment	7 730 019	60.0	7 760	10.2
Superannuation & annuities	387 481	8.7	22 486	1.5
Other (b)	1 231 045	3.5	2 854	0.6
<b>Total income (b) (c)</b>	<b>12 119 007</b>	<b>588.1</b>	<b>48 530</b>	<b>100.0</b>

(a) Persons may have more than one source of income.

(b) Excludes Government pensions and allowances.

(c) Totals may not exactly match the sum of components due to rounding.

Readers should note that the data for Superannuation and annuities are understated. See Explanatory Notes, paragraph 27.

## REGIONAL VARIATIONS IN AVERAGE INCOME

**Table 2. AVERAGE INCOME by Source - Greater Capital City Statistical Areas and Rest of State/Territory, 2009-10**

Region	Wages & salaries	Own unincorporated business	Investment	Superannuation & annuities	Other Income (excl. Govt pensions & allowances)	Total income from all sources (excl. Govt pensions & allowances)
	\$	\$	\$	\$	\$	\$
<b>New South Wales</b>	<b>50 943</b>	<b>21 025</b>	<b>7 901</b>	<b>22 346</b>	<b>3 257</b>	<b>50 328</b>
Greater Sydney	54 354	26 533	8 988	22 091	3 740	55 010
Rest of NSW	43 992	13 595	5 848	22 615	2 262	41 537
<b>Victoria</b>	<b>47 363</b>	<b>19 309</b>	<b>8 758</b>	<b>20 264</b>	<b>2 630</b>	<b>47 623</b>
Greater Melbourne	49 342	23 146	9 345	20 863	2 927	50 413
Rest of Victoria	40 786	11 670	6 872	18 716	1 650	38 995
<b>Queensland</b>	<b>47 054</b>	<b>16 806</b>	<b>6 626</b>	<b>20 677</b>	<b>2 511</b>	<b>45 844</b>
Greater Brisbane	49 251	21 675	6 503	21 160	2 502	48 895
Rest of Queensland	44 835	13 684	6 738	20 222	2 513	42 981
<b>South Australia</b>	<b>44 141</b>	<b>20 042</b>	<b>7 410</b>	<b>24 615</b>	<b>2 333</b>	<b>44 312</b>
Greater Adelaide	45 357	23 130	7 696	25 373	2 512	46 041
Rest of South Australia	39 497	14 029	6 408	21 183	1 674	38 213
<b>Western Australia</b>	<b>53 227</b>	<b>24 757</b>	<b>8 629</b>	<b>22 775</b>	<b>3 534</b>	<b>53 397</b>
Greater Perth	53 864	27 790	9 008	23 333	3 835	54 728
Rest of WA	50 235	17 245	7 032	19 928	2 272	48 234
<b>Tasmania</b>	<b>41 673</b>	<b>16 860</b>	<b>6 077</b>	<b>20 879</b>	<b>2 180</b>	<b>41 542</b>
Greater Hobart	43 863	21 237	6 159	22 287	2 171	44 358
Rest of Tasmania	39 898	14 209	5 791	19 231	2 178	39 216
<b>Northern Territory</b>	<b>50 746</b>	<b>20 294</b>	<b>3 843</b>	<b>27 438</b>	<b>1 958</b>	<b>51 366</b>
Greater Darwin	53 055	23 278	3 800	28 619	2 043	53 747
Rest of NT	46 606	12 602	3 717	23 863	1 331	47 153
<b>Australian Capital Territory</b>	<b>57 749</b>	<b>25 297</b>	<b>4 735</b>	<b>32 657</b>	<b>2 238</b>	<b>58 034</b>
<b>(a)</b>						
<b>Australia (b)</b>	<b>48 907</b>	<b>20 023</b>	<b>7 760</b>	<b>22 486</b>	<b>2 854</b>	<b>48 530</b>

(a) the whole of the ACT is one GCCSA.

(b) Australia totals include data for the Other Territories.

Table 2 presents average income data for 2009-10 for all sources of income, by state and territory. The

Australian Capital Territory recorded the highest average total income of all states and territories (\$58,034), followed by Western Australia (\$53,397) and the Northern Territory (\$51,366). When interpreting these results, it should be noted that some low income earners, for example those receiving Government pensions and allowances, or those under the income threshold for tax form lodgement, are excluded from the data. This can impact on the data story for the Northern Territory, for example.

For Australia, average total income was \$48,530. Overall, the Greater Capital City Statistical Areas recorded substantially higher average total incomes than the rest of each state or territory.

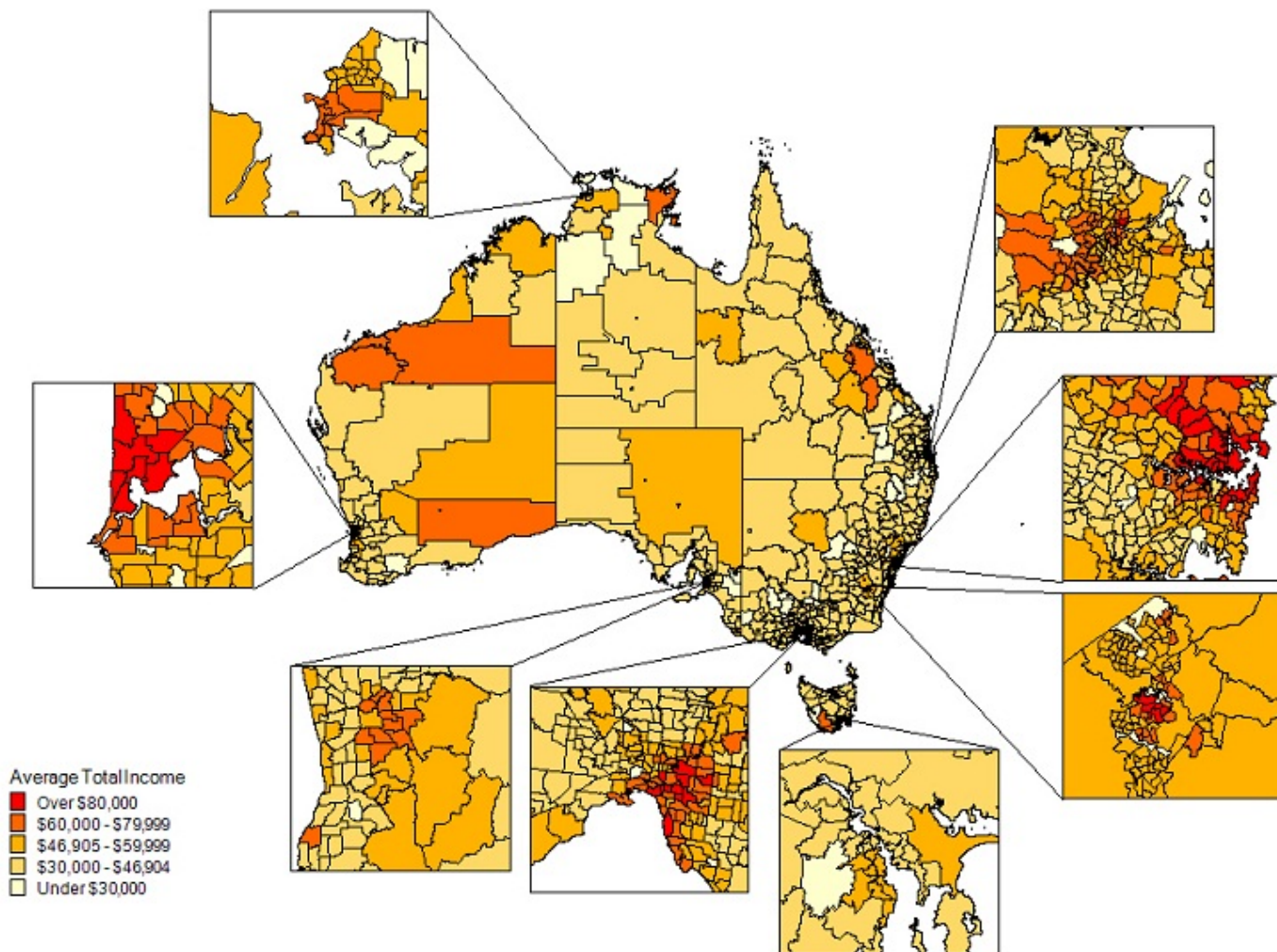
Average wage and salary total incomes were highest in the Australian Capital Territory, Western Australia and New South Wales. Average individual income from Own unincorporated business was highest in the Australian Capital Territory (\$25,297), Western Australia (\$24,757) and New South Wales (\$21,025). Again, Greater Capital City Statistical Areas (GCCSAs) recorded considerably higher average incomes from this source than the Rest of each state or territory. Victoria recorded the highest average Investment income in 2009-10, followed by Western Australia and New South Wales. The Australian Capital Territory had the highest average income from Superannuation and annuities (\$32,657), followed by the Northern Territory (\$27,438) and South Australia (\$24,615). Map 1 (below) illustrates average total income data for 2009-10 by Statistical Area Level 2 geographies.

Excluding regions with less than one hundred income earners, almost two-thirds (65.8%) of SA2s in Australia had average total incomes lower than the national average (\$48,530).

Toorak in Melbourne recorded the highest average total income (\$132,252) of all Statistical Area Level 2 (SA2) regions, nationally. This was followed by the SA2s of Double Bay - Bellevue Hill (\$129,116), Mosman (\$126,956), Hunters Hill - Woolwich (\$123,869), Woollahra (\$120,199), Dover Heights (\$115,387) and Rose Bay - Vaucluse - Watson's Bay (\$115,148) - all in Sydney in New South Wales. The Cottesloe SA2 (\$113,892) in western Perth was the only other SA2 in Australia (outside of NSW and Victoria) that had an Average Total income exceeding \$110,000.

Outside of the metropolitan/city regions, the SA2s with the highest average total incomes were the mining regions of Western Australia, in particular Karratha (\$79,925), Port Hedland (\$78,584), Roebourne (\$75,316) and Ashburton (\$73,645).

#### **Map 1. AVERAGE TOTAL INCOME, Statistical Area Level 2 - Australia, 2009-10**



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## TOP AVERAGE TOTAL INCOME REGIONS

This section presents data on the five Statistical Area Level 2 regions (SA2s) in each Greater Capital City Statistical Area and the Rest of each state/territory with the highest average total incomes in 2009-10. Readers should note that SA2s with less than 100 income earners have been excluded from the data and percentages presented below, however all SA2s are in the spreadsheets attached to this release.

### NEW SOUTH WALES

The SA2 of Double Bay - Bellevue Hill, a harbour-side area in eastern Sydney, had the highest average total income in New South Wales in 2009-10 (\$129,116) as shown in Table 3. The SA2 of Mosman on Sydney's north shore, had the state's second highest average total income in 2009-10 (\$126,956). Hunters Hill - Woolwich, Woollahra and Dover Heights were also in the top five highest income SA2s in New South Wales. All five SA2s also recorded relatively high proportions of Investment income relative to total income, ranging from 39.6% for Double Bay - Bellevue Hill, to 34.9% for Dover Heights, to 25.6% for Mosman. In contrast, the Investment to total income share for the whole Greater Sydney GCCSA was 10.7%.

Outside of Greater Sydney, Queanbeyan West - Jerrabomberra in the south east of NSW had the highest average Total income (\$64,728). Wages and salaries contributed 85.4% of Total income for this region. Other SA2s with high average total income were Merewether - The Junction (\$62,296) and Newcastle - Cooks Hill (\$61,295) where Wages and salaries contributed 72.6% and 72.2% of total income respectively (compared with 81.4% for Australia).

In 2009-10, 25.5% or 132 of SA2s in New South Wales recorded average total incomes above the state average (\$50,328). Of these SA2s, twenty were located outside of the Greater Sydney region.

**Table 3. TOP AVERAGE INCOMES, New South Wales, 2009-10 (a)**

		2009-10 \$
<b>Top 5 SA2s</b>		
<b>Greater Sydney GCCSA</b>	Double Bay - Bellevue Hill	129 116
	Mosman	126 956
	Hunters Hill - Woolwich	123 869
	Woollahra	120 199
	Dover Heights	115 387
		<b>55 010</b>
Rest of NSW	Queanbeyan West - Jerrabomberra	64 728
	Merewether - The Junction	62 296
	Newcastle - Cooks Hill	61 295
	Singleton	58 507
	Singleton Region	58 022
<b>Rest of NSW (b)</b>		<b>41 537</b>
<b>New South Wales (c)</b>		<b>50 328</b>

(a) Excludes SA2 regions with less than 100 income earners.

(b) Excludes 'SA2 unknown'.

(c) Includes 'SA2 unknown'.

## VICTORIA

Areas in Greater Melbourne's inner south-east recorded Victoria's highest average total incomes in 2009-10 (Table 4). The SA2 of Toorak recorded the state's highest average (\$132,252) followed by Brighton (\$101,776) and East Melbourne (\$95,349). Greater Melbourne's top five was completed by Albert Park (\$91,871) and Armadale (\$89,534).

Outside of Greater Melbourne, the highest average total incomes were in the SA2s of Newtown in the Geelong area (\$56,512) and Woodend in the Macedon Ranges (\$50,960). Other regions with high average total incomes were the SA2s of Torquay (\$48,553), Geelong (\$48,528) and Traralgon (\$48,344).

In 2009-10, 28.7% (or 121) of all SA2s in Victoria recorded average total incomes above the state average (\$47,623). Five of these SA2s were located outside the Greater Melbourne GCCSA.

**Table 4. TOP AVERAGE INCOMES, Victoria, 2009-10 (a)**

		2009-10 \$
<b>Top 5 SA2s</b>		
<b>Greater Melbourne GCCSA</b>	Toorak	132 252
	Brighton	101 776
	East Melbourne	95 349
	Albert Park	91 871
	Armadale	89 534
		<b>50 413</b>
<b>Rest of Vic</b>		<b>56 512</b>
	Newtown	50 960
	Woodend	48 553
	Torquay	48 528
	Geelong	48 344
	Traralgon	
<b>Rest of Victoria (b)</b>		<b>38 995</b>
<b>Victoria (c)</b>		<b>47 623</b>

- (a) Excludes SA2 regions with less than 100 income earners.  
 (b) Excludes 'SA2 unknown'.  
 (c) Includes 'SA2 unknown'.

## QUEENSLAND

Individuals in the inner-city areas of Ascot and Hamilton earned higher average incomes than Queenslanders in other regions (Table 5). The SA2 of Ascot recorded the highest average total income in Queensland in 2009-10 (\$90,945), followed closely by Hamilton (\$90,900). As Table 5 shows, Bulimba, Hawthorne and Bardon completed the top five for the Greater Brisbane GCCSA,

Outside of Greater Brisbane, the highest average total income was found in the Moranbah SA2 (\$75,662) - a mining region near Mackay (northern Queensland). Other SA2s with high average total incomes included Broadsound - Nebo (\$64,814) and Central Highlands - East (\$61,361).

In 2009-10, 37.8% (or 193) of all SA2s in Queensland had average total incomes above the state average (\$45,844). Of these SA2s, 119 were located within the Brisbane metropolitan area.

**Table 5. TOP AVERAGE INCOMES, Queensland, 2009-10 (a)**

Top 5 SA2s		2009-10 \$
Greater Brisbane	Ascot	90 945
	Hamilton	90 900
	Bulimba	74 206
	Hawthorne	73 928
	Bardon	73 579
<b>Greater Brisbane GCCSA</b>		<b>48 895</b>
Rest of Qld	Moranbah	75 662
	Broadsound - Nebo	64 814
	Central Highlands - East	61 361
	Weipa	58 958
	Shoal Point - Bucasia	58 404
<b>Rest of Qld (b)</b>		<b>42 981</b>
<b>Queensland (c)</b>		<b>45 844</b>

- (a) Excludes SA2 regions with less than 100 income earners.  
 (b) Excludes 'SA2 unknown'.  
 (c) Includes 'SA2 unknown'.

## SOUTH AUSTRALIA

The inner-city SA2s of North Adelaide and Walkerville had the highest annual average total incomes in Greater Adelaide and South Australia - at \$75,574 and \$74,296 respectively. As Table 6 shows, Glenside - Beaumont, Unley - Parkside and Toorak Gardens also had high average annual incomes.

Roxby Downs, an SA2 in the state's north, and a mining centre, had the highest annual average total income outside of the Greater Adelaide area (\$68,359) and the fourth highest average income in the state. Other SA2s with high average income in the rest of state included Whyalla (\$48,138), the Outback SA2 in the north of the State (\$47,355), Tanunda (\$46,039) and Port Augusta (\$44,750).

In 2009-10, 31.5% of SA2 regions (or 51) in South Australia had average total incomes above the state average (\$44,312). Of these SA2s, 46 were located in the Greater Adelaide region.

**Table 6. TOP AVERAGE INCOMES, South Australia, 2009-10 (a)**

Top 5 SA2s		2009-10 \$
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Greater Adelaide GCCSA		
	North Adelaide	75 574
	Walkerville	74 296
	Glenside - Beaumont	68 982
	Unley - Parkside	66 466
	Toorak Gardens	65 999
<b>Greater Adelaide GCCSA</b>		<b>46 041</b>
Rest of SA		68 359
	Roxby Downs	48 138
	Whyalla	47 355
	Outback	46 039
	Tanunda	44 750
	Port Augusta	
<b>Rest of SA (b)</b>		<b>38 213</b>
<b>South Australia (c)</b>		<b>44 312</b>

(a) Excludes SA2 regions with less than 100 income earners.

(b) Excludes 'SA2 unknown'.

(c) Includes 'SA2 unknown'.

## WESTERN AUSTRALIA

Cottesloe, a beach-side SA2 in Perth had the highest annual average total income (\$113,892) in Western Australia. Also prominent were the SA2s of Nedlands - Dalkeith - Crawley (\$106,981), City Beach (\$102,971) and Mosman Park - Peppermint Grove (\$99,609).

Outside of Greater Perth, the Pilbara mining regions of Karratha (\$79,925), Port Hedland (\$78,584), Roebourne (\$75,316) and Ashburton (\$73,645) had the highest average total income levels.

In 2009-10, 31.6% of all SA2s in Western Australia (or 72) had annual average total incomes that exceeded the State level (\$53,397). Of these, 13 SA2s were located outside of Greater Perth.

**Table 7. TOP AVERAGE INCOMES, Western Australia, 2009-10 (a)**

Top 5 SA2s		2009-10 \$
Greater Perth GCCSA		
	Cottesloe	113 892
	Nedlands - Dalkeith - Crawley	106 981
	City Beach	102 971
	Mosman Park - Peppermint Grove	99 609
	Claremont	90 534
<b>Greater Perth GCCSA</b>		<b>54 728</b>
Rest of WA		79 925
	Karratha	78 584
	Port Hedland	75 316
	Roebourne	73 645
	Ashburton	72 167
	Newman	
<b>Rest of WA (b)</b>		<b>48 234</b>
<b>Western Australia (c)</b>		<b>53 397</b>

(a) Excludes SA2 regions with less than 100 income earners.

(b) Excludes 'SA2 unknown'.

(c) Includes 'SA2 unknown'.

## TASMANIA

The SA2 of Sandy Bay, in the south of Hobart, had the highest average total income in Tasmania in 2009-10 (\$59,002). Table 8 shows that the SA2 of Mount Nelson - Dynnryne had the next highest average total income (\$54,660).

Of the areas outside of the Greater Hobart GCCSA, the SA2s of West Coast (\$46,606) and Norwood

(\$44,784) had the highest average incomes in 2009-10.

In 2009-10, 38.9% of all SA2s in Tasmania (or 37) had average annual total incomes above the state average (\$41,542). Of these SA2s, 19 were located outside of the Greater Hobart GCCSA.

**Table 8. TOP AVERAGE INCOMES, Tasmania, 2009-10 (a)**

Top 5 SA2s		2009-10 \$
Greater Hobart GCCSA	Sandy Bay	59 002
	Mount Nelson - Dynnyrne	54 660
	Taroona - Bonnet Hill	51 476
	South Hobart - Fern Tree	51 129
	Hobart	50 740
	<b>Greater Hobart GCCSA</b>	<b>44 358</b>
Rest of Tasmania		46 606
	West Coast	44 784
	Norwood	44 781
	Waverley - St. Leonards	44 780
	Newstead	44 780
	Ravenswood	
<b>Rest of Tasmania (b)</b>		<b>39 216</b>
<b>Tasmania (c)</b>		<b>41 542</b>

(a) Excludes SA2 regions with less than 100 income earners.

(b) Excludes 'SA2 unknown'.

(c) Includes 'SA2 unknown'.

## NORTHERN TERRITORY

In 2009-10, the three highest income SA2s in the Northern Territory were located outside of the Greater Darwin area - Anindilyakwa (\$73,480), Nhulunbuy (\$63,985) and East Arnhem (\$63,955). Care should be taken when interpreting these results, as some low income earners, for example those receiving Government pensions and allowances, or those under the income threshold for tax lodgement, are excluded from these results. Moreover, recent data from the 2011 Population Census confirms that one quarter of the combined populations of these SA2s receive between \$1-299 a week.

Excluding the top 3 regions, all other SA2s outside of Greater Darwin had average incomes below the Northern Territory average (\$51,366).

In Greater Darwin, the central city areas of Stuart Park, Fannie Bay - The Gardens and Ludmilla - The Narrows had the highest average total incomes with \$60,979, \$60,976 and \$60,975 respectively.

**Table 9. TOP AVERAGE INCOMES, Northern Territory, 2009-10 (a)**

Top 5 SA2s		2009-10 \$
Greater Darwin GCCSA	Stuart Park	60 979
	Fannie Bay - The Gardens	60 976
	Ludmilla - The Narrows	60 975
	Darwin Airport and surrounds	60 966
	Larrakeyah	60 962
	<b>Greater Darwin GCCSA</b>	<b>53 747</b>
Rest of NT		73 480
	Anindilyakwa	63 985
	Nhulunbuy	63 955
	East Arnhem	50 166
	Mount Johns	50 158
	Larapinta	
<b>Rest of NT(b)</b>		<b>47 153</b>



- (a) Excludes SA2 regions with less than 100 income earners.  
 (b) Excludes 'SA2 unknown'.  
 (c) Includes 'SA2 unknown'.

## AUSTRALIAN CAPITAL TERRITORY

People living in the inner southern areas of Red Hill and Forrest recorded the highest average incomes in the Australian Capital Territory in 2009-10 (\$87,496 and \$87,488 respectively). The SA2s of Griffith, Deakin and Yarralumla rounded out the top five, as shown by Table 10.

The Australian Capital Territory had the highest average income of all states and territories in 2009-10 (\$58,034).

**Table 10. TOP AVERAGE INCOMES, Australian Capital Territory, 2009-10 (a)**

		2009-10 \$
<b>Top 5 SA2s</b>		
	Red Hill	87 496
	Forrest	87 488
	Griffith	87 473
	Deakin	80 251
	Yarralumla	80 238
<b>Australian Capital Territory (b)</b>		<b>58 034</b>

- (a) Excludes SA2 regions with less than 100 income earners.  
 (b) Includes 'SA2 unknown'.

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# Australian Bureau of Statistics

## **6524.0.55.002 - Estimates of Personal Income for Small Areas, Time Series, 2009-10** Quality Declaration

ARCHIVED ISSUE Released at 11:30 AM (CANBERRA TIME) 28/11/2012

This release contains estimates of the sources and amount of personal income people received for the year 2009-10, for geographies based on the Australian Statistical Geography Standard (ASGS) - SA2, SA3, SA4, State/Territory and Australia, and local government areas.

Data are provided on the number of individuals and the amount of income received from Wage and salary, Own unincorporated business, Investment, Superannuation and annuities, and Other income (excluding government pensions and allowances). An estimate of total income (excluding government pensions and allowances) is also provided.

The estimates have been compiled using aggregated individual income tax data from the Australian Taxation Office (ATO). The compilation of these data are part of the ABS' program to increase the availability of regional statistics, particularly through the use of administrative data collected by other government agencies. The ABS wishes to acknowledge the invaluable support of the ATO in compiling these statistics.

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**18/02/2013** - Two new data cubes have been added for 2005-06 to 2009-10, to supplement previously published data.

**28/11/2012** - Double Bay, Ascot, North Adelaide, Cottesloe and Sandy Bay media releases contained an incorrect figures for Toorak. These pages have been replaced with the correct figures.

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### EXPLANATORY NOTES

#### INTRODUCTION

1 This release contains regional estimates of the sources of personal income people received for 2009-10. The tables provide a breakdown of total personal income by the following sources - Wage and salary, Own unincorporated business, Investment, Superannuation and annuities, Other income (excluding Government pensions and allowances) and the Total income from these sources. Time series data for 2005-06 to 2008-09 are also provided for Australia, the states and territories. Regional estimates for these years will be released in early 2013.

2 In previous issues, personal income data were presented at various levels of the Australian Standard Geographical Classification (ASGC), including Statistical Local Areas (SLA) and Local Government Areas (LGA), for each state and territory of Australia. For this issue however, ABS has presented data using the new Australian Statistical Geography Standard (ASGS), July 2011. Regional data are provided for Statistical Area Level 2, Statistical Area Level 3, Statistical Area Level 4 and Greater Capital City Statistical Areas for each state and territory of Australia. Data for Local Government Areas (LGA) are also provided. More information on the ASGS is available from the Statistical Geography Portal on the ABS website.

3 These data have been compiled from the Australian Taxation Office's (ATO) Individual Income Tax Return Database and are part of the Australian Bureau of Statistics' (ABS) program to increase the range of regional statistics available, particularly through the use of administrative information collected by other government agencies. The ABS wishes to acknowledge the ATO which provided data used in compiling the statistics presented in this publication.

#### CHANGES IN THIS ISSUE

4 Since the first issue in this series, there have been a number of changes in the data items in each income category, and in the data released. These changes are outlined in the following paragraphs (5 to 12).

##### Summary of changes to this series

5 Estimates of Personal Income for the years 1995-96 to 2000-01 were first released in [Experimental Estimates of Personal Income for Small Areas, Taxation and Income Support Data, 1995-96 to 2000-01](#) (cat. no. 6524.0.55.001). These estimates included data for Government pensions and allowances from the then Australian Government Department of Family and Community Services (FaCS).

6 Further information regarding the estimates for 1995-96 to 2000-01 can be found in [Information Paper: Experimental Estimates of Personal Income for Small Areas, Taxation and Income Support Data, 1995-96 to 2000-01](#) (cat. no. 6524.0).

7 Estimates of Personal Income for the years 2001-02 to 2005-06 were released in [Estimates of Personal Income for Small Areas, 2001-02 to 2005-06](#) (cat. no. 6524.0.55.002). These estimates excluded Government pensions and allowances in Other income and Total income, but included Attributed personal services income in Wages and salaries.

8 Estimates of Personal Income for the years 2003-04 to 2008-09 have previously been released in [Estimates of Personal Income for Small Areas, 2003-04 to 2006-07](#) and [Estimates of Personal Income for Small Areas, Time Series, 2003-04 to 2008-09](#) (cat. no. 6524.0.55.002). These estimates included income from Lump sums and Eligible termination payments in Wages and salaries, and counts of individuals for each source of income include individuals with positive or negative net income from that source.

9 This issue sees the inclusion of 'Reportable fringe benefits' (gross value adjusted) in Wage and salary income; see paragraphs 10 and 11 below. Other net foreign employment source income has also been included in Wage and salary income; see paragraph 14 below. In addition, Australian franking credits to New Zealand companies has been included in Investment income; see paragraph 12 below. Hence the source of income data published in the previous (2003-04 to 2008-09) issue will not be wholly comparable with the data presented in this issue.

10 For the first time, Reportable fringe benefits (gross value adjusted) have been included in total Wage and salary income. Where the value of benefits provided by an employer exceeds \$2,000 in any Fringe Benefits Tax (FBT) reference year (for example, April 2009 to March 2010) then that value must be reported as the gross taxable value of those benefits on the recipient's payment summary, for the corresponding income year (for example 1 July 2009 to 30 June 2010). The amount reported by employees on their tax returns is the grossed up value as recorded on their payment summary, however ABS income measures use the taxable (not gross) value. The ABS has consequently adjusted the gross value of Reportable fringe benefits by 0.535. Users should note that the adjustment factors differ slightly over time, for example with those for 2009-10 exceeding those for 2005-06. More information on this issue can be obtained via this [hyperlink](#) to the ATO website: FBT

11 The effect of the inclusion of Reportable fringe benefits (gross value adjusted) in Wage and Salary income has been relatively small, increasing Total Wage and Salary income by just over one percent. In 2013, ABS will publish recast back data for regions for 2005-06 to 2008-09 which will incorporate Reportable fringe benefits (gross value adjusted), thereby ensuring comparability over time. The new back data for Wages and salaries will differ however, from information published in the previous issue (for 2003-04 to 2008-09).

12 For the first time, Australian franking credits from a New Zealand company have been included in Investment income. These are credits which Australian residents can claim from listed New Zealand companies, under unilateral international arrangements and were \$1.2 million in 2009-10 (ATO Taxation Statistics, 2009-10). These franking credits will be also be incorporated within Investment income, in the 2005-06 to 2008-09 time series, to be published for small areas in 2013. The new back data will differ from data published in the previous issue (for 2003-04 to 2008-09).

13 For the first time, Other net foreign employment source income was separately identified by the ATO on the 2009-10 tax form for individuals (as Question 20T). Previously this item was reported with 'other' income on the tax form and included in the 'Other income (excluding Govt. pensions and allowances)' series. This income item has now been included in Wage and salary income for 2009-10, in line with ABS income data standards. In 2009-10, Net foreign employment source income amounted to \$968 million (ATO Taxation Statistics, 2009-10). While this has had a small impact on total Wage and salary income, it has resulted in a break in the ABS series for Other Income (excluding Govt. pensions and allowances). Other income has decreased by almost 30% between 2008-09 and 2009-10. The impact on Wage and salary income has been minor - an estimated 0.2% increase.

14 All tax items included as income are summarised in Table 1:

**Table 1: Changes to Series**

Release	Reference Periods	Govt. pensions and	Wages and salaries inclusions	Investment income inclusions	Number of individuals
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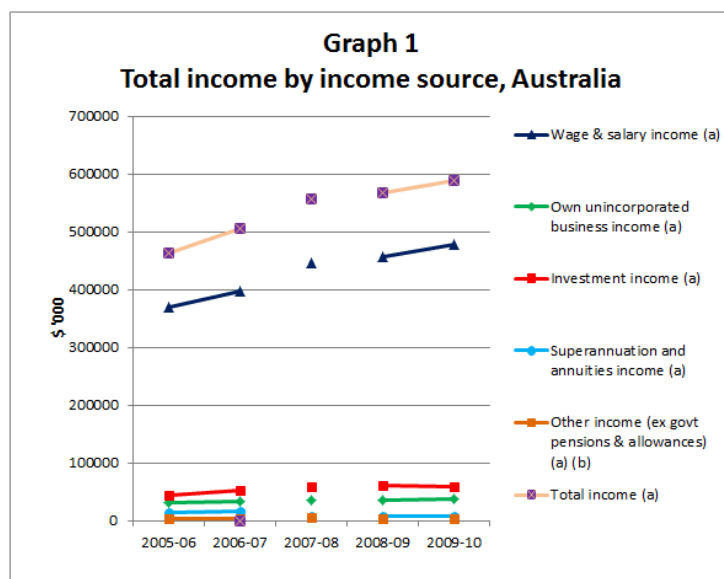
## allowances

6524.0 and 6524.0.55.00	1995-96 to 2000-01	Included	Gross salary and wage income Allowances, commissions, tips etc.	Gross interest Net rent Dividends, franked amount Dividends, unfranked amount Dividends, franking credit Distribution from trusts - non primary production	Individuals with positive net income
6524.0.55.002	2001-02 to 2005-06	Excluded	Gross salary and wage income Allowances, commissions, tips etc. Attributed personal services income	Gross interest Net rent Dividends, franked amount Dividends, unfranked amount Dividends, franking credit Distribution from trusts - non primary production	Individuals with positive net income
6524.0.55.002	2003-04 to 2006-07 2003-04 to 2007-08 2003-04 to 2008-09	Excluded	Gross salary and wage income Allowances, commissions, tips etc. Attributed personal services income Lump sums Eligible termination payments Employee share schemes (from 2008-09)	Gross interest Net rent Dividends, franked amount Dividends, unfranked amount Dividends, franking credit Distribution from trusts - non primary production Net foreign rent (from 2008-09)	Individuals with positive and negative net income
6524.0.55.002	2009-10 (a)	Excluded	Gross salary and wage income Allowances, commissions, tips etc. Attributed personal services income Lump sums Eligible termination payments Employee share schemes Reportable fringe benefits (gross value adjusted) Other net foreign employment source income	Gross interest Net rent Dividends, franked amount Dividends, unfranked amount Dividends, franking credit Distribution from trusts - non primary production Net foreign rent (from 2008-09) Australian franking credits from a New Zealand company (from 2009-10)	Individuals with positive and negative net income

(a) ABS will publish a 2005-06 to 2009-10 time series of regional data will be published as an update to cat. no. 6524.0.55.002 in 2013.

## BREAKS IN SERIES

**15** The ATO has recently provided ABS with recast back data spanning 2005-06 to 2008-09, as well as the latest 2009-10 data, which incorporate the definitional changes mentioned in Notes 9 -13. A revised time series for Australia is presented for Australia in Graph 1. Breaks in the source of income series are shown as data points unconnected by lines. As a result of recent changes, Other income has each experienced a series break between 2008-09 to 2009-10 (which follow on from breaks recorded for the previous 2 financial years).



(a) Break in series recorded for 2006-07 to 2007-08, and 2007-08 to 2008-09.

(b) Break in series recorded for 2008-09 to 2009-10.

**16** The latest series break is outlined in paragraph 13. Other series breaks since 2005-06 include:

- ATO advised in Taxation Statistics of a 7.1% increase in individual tax lodgements in the 2007-08 financial year, as some people lodged early to take advantage of the one-off tax bonus. This bonus was made available to individuals whose taxable income was \$100,000 or less, whose adjusted tax liability was greater than zero and who had filed their 2007-08 return by 30 June 2009;
- a subsequent adjustment, or 2.8% fall, in the number of individual tax lodgements in the following tax year, 2008-09; and
- changes to taxation legislation regarding superannuation which took effect from 1 July 2007, the impacts of which are discussed in the Scope and Coverage section below.

## CONFIDENTIALITY

**17** In 2012, all individual income tax statistics have been provided by the ATO to the ABS in aggregate form at the postcode level. Information about individual taxpayers has not been released to the ABS.

**18** The ATO has provided ABS with data for 2009-10, plus recast back data for 2005-06 to 2008-09. The statistics have been subject to confidentialisation processes that randomly adjust table cells with small values. Therefore, caution should be exercised by users when deducing that there are nil people in an area with certain types of income. In general, no reliance should be placed on table cells with small values. The data have been subject to several steps to

transform from postcode to the required geographies, and in some cases, the confidentialisation process has been applied at each step to provide additional confidentiality. See Geographic Correspondences for more information about the data transformation.

## **SCOPE AND COVERAGE**

**19** The main functions and responsibilities of the ATO are to administer taxation legislation and to collect a wide variety of taxes. The ATO therefore collects data from its reporting population as part of its processes to calculate income tax liability for those persons who are required to lodge an income tax return.

**20** The ATO database covers all individuals who submit an individual income tax return and includes persons with income from one or more of a range of sources, such as wages and salaries, own unincorporated business, superannuation and annuities, investments and Government pensions, benefits or allowances. The scope of the ATO statistics presented in this release are data items relating to income standards the ABS uses for its income surveys. However the scope of the ATO statistics presented in this release exclude Government pensions, benefits or allowances.

**21** All data presented are gross income before deductions - and before tax and the Medicare levy are applied. Data are for persons aged 15 years and over.

### **Wage and salary income**

**22** Wages and salaries are the main forms of payments made to employees for their work or services. Wage and salary income, as reported on the income tax return, includes:

- Gross income (before tax and application of Medicare levy) as shown on the 'PAYG payment summary - individual non-business';
- Allowances, which may include car, travel or transport allowances, allowances for tools, clothing or laundry and dirt, risk, meal or entertainment allowances;
- Commissions, bonuses, tips, gratuities, consultation fees, honoraria and other payments for services;
- Attributed personal services income;
- Eligible termination payments;
- Lump sums;
- Employee share schemes;
- Reportable fringe benefits (gross value adjusted) and
- Other net foreign employment source income (from 2009-10).

### **Own unincorporated business income**

**23** Own unincorporated business income includes the following data items on the individual income tax return:

- Net income (or loss) from business;
- Distributions from partnerships and trusts for primary production activities;
- Distributions from partnerships for non-primary production activities; and
- Net personal services income.

**24** The data excludes distributions from trusts for non-primary production activities as this mainly includes income from a range of other activities (mainly investments). It also excludes the income of working directors/owners of incorporated businesses who are classified as employees and consequently their income is included under Wage and salary income.

### **Investment income**

**25** Investment income includes:

- Interest from financial institutions;
- Net rent and dividends or distributions (including imputation credits) from an Australian company, corporate unit trust or public trading trust;
- Distributions from trusts - non-primary production which mainly includes income from investments with cash management trusts, property trusts, money market trusts, mortgage trusts and unit trusts;
- Net foreign rent; and
- Australian franking credits from a New Zealand company.

### **Superannuation and annuity income**

**26** Superannuation and annuity income includes superannuation and similar pensions and annuities paid by an Australian superannuation fund, a retirement saving account provider, a registered organisation or life assurance company and pensions paid by a fund established for the benefit of Commonwealth, State or Territory employees and their dependants. Also included in this category are bonuses from life insurance companies and friendly societies.

**27** A change to legislation relating to superannuation, taking effect from 1 July 2007, means that people aged 60 years and over who receive superannuation income in the form of a lump sum or income stream (such as a pension) from a taxed source, will receive that income tax free. Therefore, if a person has no other income, or their total income is below the tax-free threshold, or any tax payable is mitigated by a tax offset (such as Senior Australian Tax Offset), then this person will not be required to lodge a tax return. In the ABS income series for Superannuation and annuities, fewer persons reported income from this income source for the 2007-08 income year onwards. The break affects all superannuation series (persons, income and average income).

### **Other income (excluding Government pensions and allowances)**

**28** Other income (excluding Government pensions and allowances) is made up of selected sources of other income reported on the individual income tax return that were not allocated to one of the above categories. Up to 2008-09, this included attributed foreign income and all other income as reported under 'other' income in the supplementary section of the 2008-09 income tax return. In 2009-10 Net foreign employment source income was reported separately (in a new question 20T). This income is considered part of the Wages and salaries income category, and so has been included in that category for 2009-10.

**29** Government pensions, benefits or allowances are excluded from the ABS data and are not included in this source of income category. Recent estimates from the ABS Survey of Income and Housing (SIH) of the amount of income Australians received from Government pensions and allowances was \$65.2 billion in 2007-08 and \$79.3 billion in 2009-10. These levels accounted for 9.4% of the Total income estimate in SIH in 2007-08, up to 10.7% in 2009-10.

### **Total Income (excluding Government pensions and allowances)**

**30** Total Income is the sum of all income derived from Wages and salaries, Own unincorporated business, Superannuation and annuities, Investments and Other income (excluding Government pensions, benefits or allowances), as defined in paragraphs 22 to 28, above.

### **Counts of individuals**

**31** Individuals may receive income from a number of sources. Net income from a specific source may be positive or negative. For example, an individual may have positive net income from Wages and salaries but negative net income from Investment. The number of individuals for each income source includes all

persons with either positive or negative net income from that source.

**32** The total number of discrete persons in receipt of income from at least one of the income sources, was presented for the first time for the income year 2007-08. This total cannot be calculated as the sum of the individuals in each income category, as individuals may have more than one source of income in a given year. For example, an individual could derive income from Wages and salaries, Investment and Own unincorporated business and therefore contribute to the person count in each of these income sources.

## DATA CONSIDERATIONS

**33** There are several considerations that users should be mindful of when analysing or interpreting the ATO data. Overall, these are not seen as being so severe that they would lead to the production of misleading information. Readers are cautioned to be aware of these considerations and take them into account when analysing the results.

**34** Generally, the ATO considers someone to be an Australian resident for tax purposes if they have either always lived in Australia or have come to Australia to live permanently, have been in Australia for more than half of the financial year (unless their usual home is overseas and they don't intend to live in Australia), have been in Australia continuously for six months or more and for most of that time have been in the one job and living in the same place, or are an overseas student enrolled in a course of study for more than six months duration.

**35** For the purposes of providing statistical measures for the entire population, the ATO database has some limits to its coverage. Persons who receive less than the taxable income threshold are not necessarily required to lodge a tax return. This can include persons who derive their income from government pensions and allowances. Consequently, the coverage of low income earners, including people receiving government pensions and allowances is not complete in ATO records. In addition, a number of Commonwealth of Australia Government pension, benefit and allowance payments are exempt from income tax and are therefore not required to be included in tax returns. As such, the ATO data should be regarded as an indicative though not complete picture of all income earners in Australia.

## Processing of tax returns

**36** The data presented in this publication were compiled before the processing of all income tax returns for any given year may have been completed. Data provided to the ABS by the ATO are from returns processed up to 31 October, 16 months after the end of the financial year. Any returns lodged after this date are not included. Therefore, for 2009-10, returns processed after 31 October 2011 are not included. This also applies for each of the previous years of data presented in this release, so for 2007-08 data for example, returns processed after 31 October 2009 are not included.

**37** Annually revised data are published by the ATO in Taxation Statistics, Personal Tax, Table 7 for selected income items. Although these statistics differ slightly from data contained in this release, they can provide an indication of the likely change in the number of taxpayers and total income or loss over time - as more tax returns are lodged. For example, Table 2 below shows that for the 2005-06 income year, an additional 3.3% of taxpayers lodged their income tax returns in the twelve months after the initial processing cut off of 31 October 2007. By the 31 October 2011 cut off, 12.2 million tax returns had been processed for the 2005-06 financial year, an increase of 6.1% over the original 2005-06 count (at 31 October 2007).

**Table 2. COMPARISON OF ATO ORIGINAL AND REVISED DATA - Number of taxpayers, Australia**

	Income Year									
	2005-06		2006-07		2007-08		2008-09		2009-10	
	no.	% change from 31 Oct 2007	no.	% change from 31 Oct 2008	no.	% change from 31 Oct 2009	no.	% change from 31 Oct 2010	no.	
Returns lodged as at										
31-October-2007	<b>11 510 960</b>	-								
31-October-2008	11 891 115	3.3	<b>11,799,230</b>							
31-October-2009	12 107 865	5.2	12,328,685	4.5	<b>12,640,765</b>					
31-October-2010	12,167,625	5.7	12,428,670	5.3	12,806,890	1.3	<b>12,291,715</b>			
31-October-2011	12,208,760	6.1	12,492,005	5.9	12,904,515	2.1	12,710,770	3.4	<b>12,380,030</b>	

**38** Table 3 shows an overall increase in total income as more tax returns are lodged after the initial cut off date. For 2005-06 data, an additional 3.3% of income was reported twelve months after the initial 16 month cut off of 31 October 2007. This increased by 5.7% to \$483.2 billion by the 31 October 2011 cut off.

**Table 3. COMPARISON OF ATO ORIGINAL AND REVISED DATA - Total income or loss, Australia**

	Income Year									
	2005-06		2006-07		2007-08		2008-09		2009-10	
	\$b	% change from 31 Oct 2007	\$b	% change from 31 Oct 2008	\$b	% change from 31 Oct 2009	\$b	% change from 31 Oct 2010	\$b	
Returns lodged as at										
31-October-2007	<b>457.2</b>									
31-October-2008	472.2	3.3	<b>501.2</b>							
31-October-2009	479.7	5.0	523.1	4.4	<b>551.7</b>					
31-October-2010	481.7	5.4	527.0	5.2	560.7	1.6	<b>554.2</b>			
31-October-2011	483.2	5.7	529.6	5.7	565.0	2.4	573.5	3.5	<b>577.5</b>	

**39** Because of the later lodgement of a small portion of tax returns for any tax reference year, the data provided in this report slightly under-estimates the total taxable income for any given financial year.

## Changes in taxation policy

**40** The ATO provides information annually in Taxation Statistics on their website about changes that may affect taxation statistics. Changes relating to personal income tax are in each edition of Taxation Statistics.

**41** For the income year 2009-10, a number of changes were noted in Chapter 2 of Taxation Statistics, including:

- the change in personal tax thresholds;
- reforms to some entitlements such as tax offsets, deductions and tax concessions, the Medicare levy surcharge and Higher Education Loan Program (HELP) or Student Financial Supplement Scheme (SFSS) repayment amounts;
- the change in definition of a spouse to include same-sex couples;
- the change in treatment of income earned in overseas employment; and
- the changes to the tax treatment of employee share schemes.

**42** For the income year 2008-09, a number of changes were noted in Chapter 2 of Taxation Statistics, including:

- the change in personal tax thresholds;
- the education tax refund which allows eligible parents to claim a refund on some educational expenses;
- the introduction of first home saver accounts;
- extra HECS/HELP benefits available to mathematics and science graduates and early childhood education teachers in specified locations;
- changes to death benefits for dependants of same sex couples;
- the introduction of the small business and general business tax break;
- the introduction of an upper income limit for certain tax offsets;
- adjustment in the Medicare levy surcharge thresholds; and
- special arrangements for people affected by the bushfires and floods.

**43** For the income year 2007-08, a number of changes were noted in Chapter 2 of Taxation Statistics, including:

- Personal income tax cuts;
- The increase in the low income tax offset from \$600 in 2006-07 to \$750 in 2007-08;
- The change in access to the entrepreneur tax offset;
- The removal of the un-deducted purchase price of an Australian pension or annuity from deduction items - it is now being accounted for and included in the tax-free component of the Australian annuities and superannuation income streams;
- The removal of age-based limits for claiming a deduction for super contributions;
- The change to super contribution limits where eligible individuals may now claim a full deduction for personal super contributions; and
- The change to super taxation where most people aged 60 and over who receive super benefits from a taxed source, the payment of a benefit as a lump sum or income stream (such as a pension) is now tax free.

**44** For the income year 2006-07, the following changes were noted in Chapter 2 of Taxation Statistics:

- Personal income tax cuts;
- The increase in the low income tax offset from \$235 in 2005-06 to \$600 in 2006-07;
- The abolition of the part-year tax-free threshold for individuals who ceased full-time education for the first time;
- Changes to the tax treatment of foreign income and some capital gains for temporary residents;
- An increase in the amount you can claim for contributions to registered political parties, independent candidates and members from \$100 to \$1,500; and
- The entitlement to claim a tax offset if you have to pay the Medicare levy surcharge as a result of you or your spouse receiving a lump sum payment in arrears.

**45** For the income year 2005-06, the following changes were noted in Chapter 2 of Taxation Statistics:

- Personal income tax cuts;
- The introduction of new measures such as the 30% child care tax rebate, the 25% entrepreneurs' tax offset, transitional incentives to contribute to superannuation; and
- Transition to retirement rules - people aged over 55 can now access superannuation benefits without having to retire or leave their job.

## COMPARISON WITH OTHER ABS INCOME DATA

**46** The ABS Survey of Income and Housing (SIH) collects information on sources of income, amounts received and the characteristics of persons aged 15 years and over resident in private dwellings throughout Australia. The survey was conducted every year from 1994-95 to 1997-98, and then in 1999-2000, 2000-01 and 2002-03. From 2003-04, the survey has been conducted every two years. The latest survey was for the 2009-10 income year. For further information about the concepts, definitions, methodology and estimation procedures used in the SIH, refer to [Survey of Income and Housing, User Guide](#) (cat. no. 6553.0).

**47** Data collected from SIH can be compared with ATO data, for the years 2005-06, 2007-08 and 2009-10. Such contrasts provide a useful insight into recent trends, establishing whether counts are of an expected magnitude and the distribution of income across the various sources is similar.

**48** SIH produces estimates of current income as well as estimates of annual income in respect to the previous financial year. Current income refers to income being received at the time the data were collected from respondents. The data used in the following comparison are based on current income estimates as these are thought to provide a better picture of income earners, are more up to date and are generally reported more accurately than previous financial year estimates.

**49** The 2007-08 and 2009-10 SIH data are benchmarked to the 2006 Population Census, while the 2005-06 SIH data are benchmarked to the 2001 Census. SIH employment income from 2007-08 onwards includes all payments received by individuals as a result of their current or former involvement in paid employment. In addition to the regular and recurring cash receipts previously included, SIH wage and salary income also includes non-cash benefits, bonuses, termination payments and payments for irregular overtime.

**50** Table 4 below presents a selection of reasonably comparable income data items, sourced from ATO and the SIH, for 2005-06, 2007-08 and 2009-10.

**Table 4. SELECTED SOURCES OF INCOME, ATO (a) AND SIH (b) SOURCE OF INCOME DATA, AUSTRALIA**

	2005-06 \$b	2007-08 \$b	2009-10 \$b
<b>Wage and salary income</b>			
ATO	369.2	446.5	478.7
SIH (c)	402.1	513.1	546.6
<b>Own unincorporated business income</b>			
ATO	31.0	37.0	37.3
SIH	39.4	40.7	40.5
<b>Investment income</b>	44.0	58.6	60.0
ATO	29.3	43.4	39.3
SIH			
<b>Superannuation and annuity income</b>			
ATO (d)	14.5	8.9	8.7
SIH	14.3	20.6	22.0

a) ATO data includes records that could not be allocated to a state or territory.

b) SIH data is current estimates rather than previous financial year.

c) SIH data includes non cash benefits in wage and salary income.

d) Series break for ATO data. From July 1, 2007. See paragraph 27, above.



**51** The differences observed between the two sets of income data are likely to be as a result of different definitions, collection methodologies (for example, administrative collection versus sample survey) and reference periods. For instance, the inclusion of imputation credits and distributions from trusts (non-primary production) may contribute to the considerably higher estimates observed for the ATO investment income data.

**52** The higher SIH wage and salary estimate is in part due to the inclusion of non-cash benefits (including salary sacrificed income) in this income source. Non-cash wage and salary income is not reported on the personal income tax form and is therefore excluded from wage and salary income data provided by the ATO.

**53** The SIH Wage and salary income estimate also includes irregular overtime and bonuses as well as termination payments.

**54** With the changes to ATO reporting of superannuation income (see paragraph 27), the SIH estimate is thought to provide a more accurate, complete indication of the level of income derived from Superannuation and annuities from 2007-08 onwards.

## STATISTICAL GEOGRAPHY

**55** The Australian Statistical Geography Standard (ASGS), July 2011, is now used by the ABS for the collection and dissemination of geographically classified statistics - replacing the former Australian Standard Geographic Classification (ASGC). The ASGS is an essential reference for understanding and interpreting the geographic context of statistics published by the ABS and its use enables comparability across datasets. The ASGS has been introduced by the ABS, in part, to obtain more consistency in population size across similar region types, to achieve more data stability and continuity and thereby minimise the need for annual geographic review.

**56** ATO data at postcode level has undergone a number of steps to transform the information to the required levels of geography for this release. Data was transformed from postcode to SA2 and then from SA2 to the other geographies required. While this has introduced some error into the estimates (due to the assumptions implicit in correspondences, as discussed **Geographic correspondences**, paragraphs 58 to 62) - compared to transforming directly from postcode to the required geographies - it has not diminished the usefulness of the data and has provided additional confidentialisation. (See paragraphs 17 and 18).

**57** Further information - including access to ASGS boundaries which underpin the data presented in this publication - can be accessed from Australian Statistical Geography Standard (ASGS): Volume 1 - Main Structure, July 2011 (cat. no. 1270.0.55.001).

### Geographic correspondences

**58** The ABS uses geographic correspondences to enable the conversion of data from one type of geographic region to another. The geographic correspondences used for these data are expressed as conversion factors based on population.

**59** The geographic identifier on the ATO database is the postcode of an individual's current home address at the time of completing the tax return. Consequently, postcode to SA2 conversion factors have been used by the ABS to transform aggregated postcode data to estimates for SA2, and these have then been used to aggregate the data up to SA3 and SA4 regions. The SA2 data have also been transformed to LGAs, using an SA2 to LGA correspondence. The correspondences are based on 2011 Census population distributions. For more information, or to view or download these tools, please access Correspondences on the Statistical Geography Portal, ABS website.

**60** Applying correspondences:

- Enables converted data to be more easily compared with other standard ABS output;
- Enables the data to be output for other standard ABS geographic areas such as SA3, SA4, GCCSA and LGAs; and
- Provides flexibility so that data can be provided for the various and different regions of interest being studied by users of regional data.

**61** When analysing data transformed by correspondences, the following points need to be taken into account:

- In applying the correspondences it is assumed that the particular characteristics of any data item are uniformly distributed across a postcode area. Therefore, data transformed by correspondences may not truly reflect the distribution of the characteristics of the population. In some cases, where the same postcode is split across two or more SA2 and there are no other contributing postcodes, distinct numerical estimates will be derived but rates or averages will be identical for each SA2 (as these will be equivalent to the original rate or average of the contributing postcode);
- The conversion factors are based on total population only but have been applied across all ATO data items, i.e. the number of wage and salary earners, wage and salary income, total income and sex, age and occupation groups;
- Some official postcodes (such as PO boxes, etc.) do not correspond to residential areas but may still have been reported under the current home address field on the income tax return. Data for these and other 'invalid' postcodes, such as those due to incorrect reporting or processing errors, have been included in an 'unknown' category for each State and Territory and for Australia where the state or territory was not known;
- Data transformed by correspondences have been rounded so slight discrepancies may occur between sums of the component items and totals; and
- Some correspondences vary in terms of their quality, completeness and utility. Each ABS correspondence is published with a quality measure (for the overall correspondence) and quality indicators (for the many, specific region to region links within the correspondence). These can be viewed in tables 1 and 2 of each downloadable correspondence spreadsheet. The possibility of region to region mismatches arising from the presence of missing 'to units', or regions being below minimum output size, or the presence of null fields, are also recorded, in tables 4, 5 and 6 of each correspondence spreadsheet.

**62** While care is taken in producing the correspondences, the ABS cannot guarantee the accuracy of data transformed by correspondences.

### Geographic regions

**63** The statistics in this electronic release and accompanying data cubes are presented according to the Australian Statistical Geography Standard (ASGS), July 2011. Under this classification, statistical areas are defined as follows:

- **Local Government Areas (LGA):** These areas are the spatial units which represent the geographical areas of incorporated local government councils. LGAs include sub categories such as Cities (C), NSW Local Government Areas (A), Boroughs (B), Rural Cities (RC), Towns (T), Shires (S), District Councils (DC), Municipalities (M), SA Municipal Councils (M), SA Regional Councils (RegC), Qld Regional Councils (R) and SA Aboriginal Councils (AC);
- **Statistical Area Level 2 (SA2):** These are general purpose, medium sized areas designed to represent communities that interact socially and economically. SA2s generally have an average population of 10,000 persons, or a population size range of 3,000-25,000 persons, tending towards the lower limit of this range in rural and remote regions. There are 2,214 SA2s, Australia wide.
- **Statistical Area Level 3 (SA3):** This geography has been created as a standard for the analysis of ABS data at broader geographies through the clustering of SA2s with similar regional characteristics. Generally, SA3s have a population size range of 30,000-130,000 persons. There are 351 SA3s Australia wide.
- **Statistical Area Level 4 (SA4):** These are the largest sub-state regions within the main structure of the ASGS. They have been primarily designed to output labour force data, reflecting recognised major labour market regions in each jurisdiction. Population size can range from 100,000-300,000 persons, tending towards the lower limit in rural and regional areas. There are 106 SA4s.
- **Greater Capital City Statistical Area (GCCSA):** These geographies, comprising 8 capital cities and their wider metro surrounds, are aggregations of SA4s. When combined with 7 Rest of State/Territory regions, they cover the whole of Australia without gaps or overlaps, aggregating directly to all States and Territories. A slight exception: the entire Australian Capital Territory comprises one GCCSA, without a 'Rest of' regional component.

**64** Further information regarding the ASGS regions, including the detailed classification, metadata, maps and downloadable boundary files, can be accessed from the ABS Statistical Geography Portal on the ABS website.

#### **FURTHER INFORMATION**

**65** For further information about these and other statistics, please contact the National Information and Referral Service on 1300 135 070.

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# Australian Bureau of Statistics

## 6524.0.55.002 - Estimates of Personal Income for Small Areas, Time Series, 2009-10 Quality Declaration

ARCHIVED ISSUE Released at 11:30 AM (CANBERRA TIME) 28/11/2012

### ABBREVIATIONS

A Area

ABS Australian Bureau of Statistics

AC Aboriginal Council

ACT Australian Capital Territory

ANZSCO Australian and New Zealand Standard Classification of Occupations

ASGC Australian Standard Geographical Classification

ASGS Australian Statistical Geography Standard

ASNA Australian System of National Accounts

ATO Australian Taxation Office

B Borough

b Billion/s

cat. no. Catalogue number

C City

DC District Council

excl. excludes

FBT Reportable fringe benefits tax

Govt Government

GCCSA Greater capital city statistical area

HES Household Expenditure Survey

LGA Local government area

M Municipality/Municipal Council

NSW New South Wales

NT Northern Territory

PAYG Pay-as-you-go tax

Qld Queensland

OUB Own unincorporated business

R Regional Council

RC Rural city

S Shire

S/T State or territory

SA South Australia

SA2 Statistical area level 2

SA3 Statistical area level 3

SA4 Statistical area level 4

SIH Survey of Income and Housing

T Town

Tas Tasmania

Vic Victoria

WA Western Australia

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### INSTITUTIONAL ENVIRONMENT

These estimates of personal income published by the ABS are sourced from the Australian Taxation Office (ATO). The ATO collects personal income tax information from the lodgement of personal income tax returns as part of their role to 'manage and shape tax, excise and superannuation systems that fund services for Australians' [Source: <http://www.ato.gov.au> 'About Us'] .

The ATO compiles a range of data from this collection for release on the ATO website. An extract of personal income tax is provided to the ABS on an annual basis under a Memorandum of Understanding (MOU) between the ABS and the ATO.

All individual income tax statistics are provided to the ABS by the ATO in aggregated form only, for 2009-10 data at the postcode level. Information about individual taxpayers has not been released to the ABS.

For information on the institutional environment of the ABS, including the legislative obligations of the ABS, financing and governance arrangements, and mechanisms for scrutiny of ABS operations, please see ABS Institutional Environment.

### RELEVANCE

Personal income data are produced at regional (small area) level to provide valuable information about regional economies and the income of individuals resident in regions. This annual regional level income data is not available from existing ABS censuses and surveys.

The scope of the personal income tax data includes individuals who submit an individual income tax return to the Australian Tax Office.

Data items for individuals include number of 'taxable' and 'non-taxable individuals', and 'taxable income'.

The main statistical releases from ATO personal income tax data are:

1. Counts of taxable and non-taxable individuals, and amount of taxable income;
2. Number of persons and amount of income from Wages and salaries, Own unincorporated business, Investment, Superannuation and annuities, Other income (excluding Government pensions and allowances), Total income (excluding Government pensions and allowances);
3. Number of Wages and salary earners by various cross-classifications (age, sex, occupation and income range).

Data for income categories in 2. and 3. above are aggregated from items in the individual income tax return, and are selected to conform as closely as possible to ABS Income Standards.

These statistical releases are presented at the following levels of geography of the Australian Statistical Geography Standard (ASGS): Statistical Area Level 2 (SA2); Statistical Area Level 3 (SA3); Statistical Area Level 4 (SA4); Greater Capital City Statistical Area (GCCSA); Local Government Area; and state/territory, Australia.

## **TIMELINESS**

Individuals may lodge income tax returns in respect of each financial year (1 July to 30 June). Personal income tax data is provided to the ABS around 22 - 25 months after the income year. Data are taken from an annual extraction from the ATO database as at 31 October each year (16 months after the income year). For example, data for the 2009-10 financial year was extracted as at 31 October 2011 and provided to the ABS in July 2012. Data are released annually by the ABS.

## **ACCURACY**

Personal income tax data is derived from information contained in personal income tax returns lodged with the Australian Taxation Office. For the purposes of providing statistical measures for the entire population, the ATO database has some limitations in its coverage. Persons who receive less than the taxable income threshold are not necessarily required to lodge a tax return. This can include persons who derive their income from government pensions and allowances. Consequently, the coverage of low income earners, including people receiving government pensions and allowances is not complete in ATO records. In addition, a number of Commonwealth of Australia government pension, benefit and allowance payments are exempt from income tax and are therefore not required to be included in tax returns.

Data are provided by the ATO before the processing of all income tax returns for any given year may have been completed. Data provided to the ABS by the ATO are from returns processed up to 31 October, 16 months after the end of the financial year. It is estimated that approximately an additional 3% of taxpayers lodge their income tax returns in the twelve months after the initial processing cut off each year and approximately 5% of taxpayers lodge their income tax returns in the three years following the processing cut off. This means that data provided to the ABS slightly under-estimates the number of income earners and the total income earned.

In 2012, the ATO has provided ABS with aggregate data at postcode level for 2009-10, plus back data for 2005-06 to 2008-09. The data have been confidentialised by randomly adjusting table cells with small values. Caution should be exercised by users when deducing that there are nil people in an area with certain types of income. In general, no reliance should be placed on table cells with small values. The source data have been subject to several steps to transform it from postcode to required geographies, and in some cases, confidentialisation has been re-applied at each step to provide additional protection.

## **COHERENCE**

Personal income tax statistics can be impacted by changes to Tax legislation. The ATO outlines any such changes in their annual release of 'Taxation Statistics' on the ATO website.

Data for income categories described above (see Relevance) are aggregated from items in the individual income tax return, and are selected to conform as closely as possible to ABS Income Standards. There have been several changes, reflected in the data released for 2001-02 to 2005-06, and for 2003-04 to 2006-07, 2003-04 to 2007-08, 2003-04 to 2008-09, and 2009-10.

Release	Reference periods	Changes to Wage and salary income	Changes to Investment income
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6524.0 and 6524.0.55.001 5673.0 and 5673.0.55.001	1995-96 to 2000-01	<ul style="list-style-type: none"> <li>• Gross wage and salary income</li> <li>• Allowances, commissions, tips etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Gross interest</li> <li>• Net rent</li> <li>• Dividends, franked amount</li> <li>• Dividends, unfranked amount</li> <li>• Dividends, franking credit</li> <li>• Distribution from trusts - non primary production</li> </ul>
6524.0.55.002 5676.0.55.003	2001-02 to 2005-06	<ul style="list-style-type: none"> <li>• Gross wage and salary income</li> <li>• Allowances, commissions, tips etc.</li> <li>• Attributed personal services income</li> </ul>	<ul style="list-style-type: none"> <li>• Gross interest</li> <li>• Net rent</li> <li>• Dividends, franked amount</li> <li>• Dividends, unfranked amount</li> <li>• Dividends, franking credit</li> <li>• Distribution from trusts - non primary production</li> </ul>
6524.0.55.002 5673.0.55.003	2003-04 to 2006-07 2003-04 to 2007-08 2003-04 to 2008-09 2005-06 to 2009-10	<ul style="list-style-type: none"> <li>• Gross wage and salary income</li> <li>• Allowances, commissions, tips etc.</li> <li>• Attributed personal services income</li> <li>• Lump sums</li> <li>• Eligible termination payments</li> <li>• Employee share schemes</li> <li>• Other net foreign employment source income</li> <li>• Reportable fringe benefits (gross value adjusted)</li> </ul>	<ul style="list-style-type: none"> <li>• Gross interest</li> <li>• Net rent</li> <li>• Dividends, franked amount</li> <li>• Dividends, unfranked amount</li> <li>• Dividends, franking credit</li> <li>• Distribution from trusts - non primary production</li> <li>• Net foreign rent (included from 2008-09)</li> <li>• Australian franking credits from a New Zealand company (included from 2009-10)</li> </ul>

Other ABS sources of income data are:

- the Survey of Income and Housing;
- the Survey of Average Weekly Earnings
- the Census of Population and Housing
- the Australian System of National Accounts

The ABS Survey of Income and Housing (SIH) collects information on sources of income,

amounts received and the characteristics of persons aged 15 years and over resident in private dwellings throughout Australia. Data collected from SIH can be compared to ATO personal income tax data published in Estimates of Personal Income for Small Areas (cat no. 6524.0.55.002) and Wage and Salary Earner Statistics for Small Areas (cat no. 5673.0.55.003) at the Australia level. Small area estimates are not released from the SIH. Comparison of these series for Australia can provide a means of assessing trends, establishing whether counts are of an expected magnitude and whether the distribution of income across the various sources is similar. The ATO personal income tax data contained in this release is generally consistent in magnitude with the estimates derived from the ABS Survey of Income and Housing at the Australia level.

The Survey of Average Weekly Earnings (AWE) is a quarterly sample survey of employing businesses. It collects data on average weekly earnings for full-time adult employee jobs, average weekly total earnings for all employee jobs, and average weekly ordinary time earnings for full-time adult employee jobs. Small area estimates are not released from AWE. The ATO Average Wage and Salary income as presented in Wage and Salary Earner Statistics for Small Areas (cat no. 5673.0.55.003) can be compared at the Australia level with the 'average weekly total earnings for all employees jobs' from the survey of Average Weekly Earnings. These two series items are generally consistent in magnitude at the Australia level.

Income data is also available every five years in the Census of population and housing. The Census provides total income for households and individuals. Data are available for a range of small areas.

The Australian System of National Accounts (ASNA) brings together wage and salary estimates from multiple sources, including a range of quarterly and annual business surveys. The data are also updated iteratively whereas the SIH and ATO data are more 'point in time' snapshots. Whereas the ASNA mainly sources data from businesses and the government sector, the ATO and SIH data are primarily sourced from individuals; this methodological difference contributes to some variation in estimates across these collections.

## **INTERPRETABILITY**

Estimates of personal income in this release are gross income before deductions, and before tax and application of the Medicare levy.

Taxable income (contained in the ATO 'Taxation Statistics', and released in the National Regional Profile) is calculated on the personal income tax as total income or loss minus total deductions.

Personal income tax data releases all contain detailed Explanatory Notes that provide information on scope and coverage, confidentiality, changes to the data over time, geographical presentation of the data, classifications and other technical aspects associated with these statistics.

## **ACCESSIBILITY**

All personal income tax data provided to the ABS from ATO, is released to the ABS website in:

- National Regional Profile (contains Taxation Statistics, income estimates by source and Wage and salary earners statistics in html web pages, and Excel spreadsheets and SuperTABLE data cubes).
- Estimates of Personal Income for Small Areas (cat no: 6524.0.55.002) - contains a summary main features and Excel spreadsheets (data cubes).
- Wage and Salary Earner Statistics for Small Areas (5673.0.55.003) - contains a summary main features and Excel spreadsheets (data cubes)



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The ABS has recently revised its time series estimates of regional income for Local Government Areas (LGAs). These can be viewed in the latest issue of this catalogue, released on 29 October 2013.

The ABS has applied new geographic conversion and data confidentialisation processes to create more robust LGA estimates. Users should note that time series data for the other geographies - for example SA2, SA3, SA4, GCCSA and State/Territory - remain unchanged.

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